

## **Attachment 6C: Journal Voucher Category Identification Codes for FY 2005**

### **Background**

Guidance for identification of journal voucher (JV) categories was issued in a DFAS memorandum dated August 2, 2000. In March 2002, this guidance was officially published in the DoD Financial Management Regulation (FMR), Volume 6A, Chapter 2, paragraph 020208.

The 10 categories to be utilized were (1) identified errors and reasonableness checks; (2) reconciliation of trial balance and budget execution reports; (3) balancing entries for elimination; (4) supply management inventory; (5) reclassification of accounts; (6) reversing entries for prior reporting period; (7) adjustment to balance reports internally; (8) data call entry; (9) recognition of undistributed disbursements and collections; and, (10) other accruals.

As stated in the DFAS memorandum, beginning in FY 2000, all Centers and Operating Locations were to review all journal vouchers to ensure compliance with the policy. The ability to select the category of journal voucher has been established in DDRS to assist identification categories.

Due to an unfavorable GAO audit in FY 1999 concerning the quantity and amount of unsupported journal vouchers, a metric has also been established to report the quantity, dollar value, and category of all journal vouchers indicating which were supported and which were unsupported.

### **Issue – JV Metric**

A recent review performed by the DFAS Internal Review Office has indicated that there is a lack of consistent and correct usage of the journal voucher categories. Incorrect categories were being used or no JV category was selected and unrelated categories of JVs were consolidated within a single spreadsheet and entered as a single JV.

A physical spot check review of the DDRS categories performed by DFAS-DASF also revealed some incorrect classification of entries within the JV categories.

The Office of the Under Secretary of Defense (Comptroller) JV metric being reported by the Centers is not complete because it does not include the JVs prepared by the field which were reviewed by the DFAS Internal Review office.

The Office of the Under Secretary of Defense (Comptroller) has issued a memorandum to DFAS, subject: Financial Statements Accounting Adjustments – Independent Assessment, dated 30 March 2004 requesting the DFAS Internal Review to perform quarterly assessments of the DFAS Centers accounting adjustments to determine: (1) if all the departmental accounting adjustments are being reported (completeness), and (2) if the adjustments are properly categorized as supported and unsupported.

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### **Action Required**

Internal controls are to be incorporated to ensure the proper and complete recording of journal vouchers. This is a requirement included in the DoD FMR Volume 6A, Chapter 2, paragraph 020208.

Full departmental and field level JV metric information must be reported to DFAS-Arlington following the completion of the preparation of the financial statements.

JVs for intragovernmental eliminations must state the specific guidance being followed, i.e., to adjust the accounts payable due to an increase in the xxxx seller accounts receivable. Identifying the trading partner is requested to be included when possible. Do not merely copy identical language in all eliminating JVs.